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## Bernie Madoff emails, claiming Picower and Shapiro portfolios were legitimate, to appear in 'Forbes' article

By Michele Dargan

Daily News Staff Writer

In newly released emails written by Bernard Madoff behind bars, he mentions the Picower and Shapiro families, saying the portfolios he structured for them were legitimate.

The emails will be released as part of an April 7 article in Forbes, written by New York Times reporter Diana Henriques. Henriques wrote the bestselling book Wizard of Lies, the inside story about Madoff and his \$65 billion Ponzi scheme.

Madoff is serving 150 years at a federal prison in Butner, N.C.

In one posting, Madoff said he doesn't see how bankruptcy trustee Irving Picard "can claw back profits from clients who were not aware of any irregularities."

Throughout his email exchanges with Henriques, Madoff tries to justify his actions, insisting that trades after 1992 were fictitious, but the earlier trades were legitimate.

Madoff references part-time Palm Beachers Carl Shapiro and the late Jeffry Picower in his emails. Shapiro and Picower both struck settlements with Picard. Picower, who was identified as the single largest beneficiary of Madoff's fraud, settled with Picard for \$7.2 billion. Shapiro and his family paid a total of \$550 million.

The following are some excerpts from Madoff's email exchanges with Henriques.

**Oct. 11, 2011:** "From 1963 I made substantial arbitrage profits for the Picower, Shapiro and Chais families joined by the Levy family in 1970. (M)ost of these profits were reinvested and the amounts compounded. In 1970 Saul Alpern formed his partnerships later (run) by Avellino and Bienes. In 1980 I started trading for (French banker) Albert Igoine and his French and Swiss banking associates. All of these accounts averaged about 20% annually ... (A)nd ALL WERE LEGITIMATE TRADING. THIS CONTINUED THRU THE EARLY 90's. I would add that the long position portfolios I structured for the Picower, Shapiro, Chais and Levy accounts were also legit. It was the(ir) later tax maneuvers that were a problem (for me)...."

**Oct. 12, 2011:** "I almost threw up when I saw (the) Barbara Picower Press conference with Picard and the prosecutor acting as the good citizen, while still keeping 2 billion.

"Diana, I will always feel remorse towards those who I betrayed. However the pure greed and untruthful cries of some who now have to sell their second and third vacation homes, which were paid for with the years of LEGITIMATE profits but because they now find themselves without the income stream I provided is what angers me ..."

**Dec. 26, 2010:** Madoff wrote: "You were surprised that Picower and Shapiro settled for every penny ... I can now tell you that these people were very instrumental in creating my problems. Picower flat out lied to me about his issues with Goldman Sachs and his trading opportunities and subsequent losses ... Shapiro and Chais were different, however they also got greedy and also failed to honor their agreements. I'm sure you wonder how I could be so gullible ..."

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